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2010 AUG 19 P 1:33

August 19, 2010

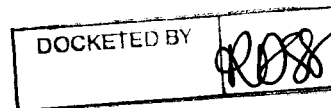
AZ CORP COMMISSION
DOCKET CONTROL

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Arizona Corporation Commission
DOCKETED

AUG 19 2010

Mr. Thomas Grapp
A. Petersen Water Company
Post Office Box 1270
Show Low, Arizona 85902



RE: A. PETERSEN WATER COMPANY – APPLICATION FOR A RATE INCREASE,
DOCKET NO. W-02678A-10-0304

LETTER OF DEFICIENCY

Dear Mr. Grapp:

In reference to your rate application received on July 21, 2010, this letter (per section R14-2-103.B.7 of the Arizona Administrative Code) is to inform you that your application has not met the sufficiency requirements as outlined in Arizona Administrative Code R14-2-103.


Staff has found several deficiencies with your application, which are listed on a separate attachment. The 30-day sufficiency determination period will begin anew when the company corrects the deficiencies and Docket Control receives an original and fifteen copies of the corrected pages.

You have 15 calendar days, or until September 3, 2010, to correct the deficiencies or make other arrangements with Staff to remedy your rate application. If the corrections or other arrangements are not made by the above date, Staff will request your docket number be administratively closed. Docket Control will retain one copy of the original application for Commission records. You may file an original and sixteen copies of an updated application at a later date.

Mr. Thomas Grapp
August 19, 2010
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The Staff person assigned to your application is Darak R. Eaddy. He can be reached at (602) 542-0855, or toll free at (800) 222-7000, if you have any questions or concerns.

Sincerely,



Nancy Scott
Chief Accountant
Financial & Regulatory Analysis Section
Utilities Division

NLS:DRE:tdp

CC: Docket Control Center (fifteen copies)
Lyn Farmer, Hearing Division
Delbert Smith, Engineering
Consumer Services
Legal Division

**A. Petersen Water Company
Rate Application
Docket No. W-02678A-10-0304
Test Year Ended December 31, 2009
List of Deficiencies**

The specific items that have caused a finding of deficiency are as follows:

1. The bill counts do not produce the revenue of \$ 18,482 as indicated on page 19 of the application. Please correct.
2. On Page 9 of the application, the Company listed the current rate for the 3-inch meter as \$200. This does not reconcile with the Company's current tariff rate of \$280 for the 3-inch meter. Please correct.